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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 002503

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SUBJECT: DPP-CONTROLLED CEC DECISION ON REFERENDUM
PROCEDURES SETS UP SHOWDOWN WITH KMT

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

[¶1.](#) (C) Summary: The DPP-majority CEC decided on November 16 to adopt a "one-step" voting process that allows voters to pick up and cast ballots simultaneously for the legislative election races and two national referenda on January 12, [¶2008](#). In a press conference immediately following the decision, CEC Chairman Cheng Cheng-hsiung said the CEC would review how the "one-step" system works in January before deciding whether to adopt the same voting scheme in March. The KMT confirmed its earlier pledge to block implementation of the "one-step" method at the local level in KMT-governed cities and counties. The Chen administration subsequently urged local election commissions to abide by the CEC decision, but did not spell out what disciplinary actions would be taken against any dissenters. The partisan battle over legislative election procedures is a prelude to the political wrangling sure to take place when the CEC deliberates how to handle the March presidential election and two UN-related referenda. Comment: At this point, the impact of election procedures on referendum outcomes is still unclear as certain key procedural issues remain unsettled. End Comment and Summary.

CEC Votes 9-4 In Favor of One-Step Voting

[¶2.](#) (SBU) The DPP-majority Central Election Commission (CEC) voted on November 16 to use a "one-step" voting format in the January 12 Legislative Yuan (LY) election. Over the strong objection of opposition CEC members, the commission voted 9-4 in favor of a proposal that allows voters to pick up and cast ballots simultaneously for the legislative election races and two national referenda. Under the CEC plan, voters entering polling stations first go to a table where they can pick up two legislative ballots, one for district legislators and the other for party at-large seats. Voters may then proceed to a second table to take ballots for the DPP-initiated referendum on recovering KMT "ill-gotten" party assets and/or the KMT-supported "anti-corruption" referendum. After obtaining the desired ballots, voters enter a voting booth to mark their ballots in secret and then go to another set of tables with four ballot boxes--one for each ballot--to cast ballots. The KMT-backed "two-step" voting format rejected by the CEC would have required voters to finish

voting for the legislative election first before proceeding, if desired, to a separate area of the polling station to pick up and cast one or both referenda ballots.

13. (SBU) In a press conference immediately following the decision, CEC Chairman Cheng Cheng-hsiung said the CEC would review how the "one-step" system works in January before deciding whether to adopt the same voting scheme for the presidential election and UN referenda in March. In a separate 6-3 vote on November 16, the CEC rejected a more radical proposal initiated by some deep Green DPP legislators that called for combining the two "anti-corruption" referenda onto a single ballot. The CEC also decided that ballots placed in the wrong ballot boxes would be deemed valid, an attempt to address KMT criticism that voters might be confused and cast election and referendum ballots in the wrong box in the one-step process. The decision to set up separate tables, moreover, appeared designed to blunt KMT criticism of "one-step" voting by providing at least a minimal separation of LY and referenda ballots in contrast to the complete separation afforded by the "two-step" process.

KMT Vows to Use Two-Step Voting

14. (SBU) After release of the CEC decision, the KMT reaffirmed its earlier vow to prevent implementation of the "one-step" method at the local level in KMT-governed cities and counties. On November 17 the chiefs of the 18 city and county governments ruled by the KMT had signed a joint statement pledging to use the "two-step" process in their own jurisdictions regardless of the CEC decision. KMT presidential candidate Ma Ying-jeou defended his party's

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plans, characterizing the CEC decision as "merely" an administrative order without any legal authority. Ma asserted that local election commissions, appointed by the local government chiefs, are empowered by law to handle elections as they see fit and would not be violating any laws by defying the CEC decision.

Calling the KMT's Bluff?

15. (SBU) Following the KMT joint statement, Premier Chang Chung-hsiung on November 18 urged local election commissions to abide by the upcoming CEC decision, but did not spell out what administrative disciplinary actions would be taken against any dissenters. Other DPP officials emphasized the legality of the CEC decision and characterized the KMT reaction as another example of KMT "obstructionism" and "anti-democratic" values. Some press reports quoted anonymous administration sources as saying that central government subsidies could be cut to local governments that do not comply with the CEC decision. Government Spokesman Shieh Jhy-wei said the decision was based on the commissioners' "professional judgment" and was for the sake of "simplicity and convenience." He emphasized that KMT opposition to the "one-step" process showed opposition to referendum in general and revealed a deep seated mistrust toward the Taiwanese people. Opposition to the UN Referendum

16. (C) The partisan battle over LY election procedures is a prelude to the political wrangling sure to take place when the CEC deliberates how to handle the March presidential election and two UN-related referenda. Global Views Monthly Polling Center Director Tai Li-an explained to AIT on November 19 that procedural technicalities, such as whether the referendum ballots are handed out to voters or have to be asked for, could have a significant effect on the DPP UN referendum's prospects of meeting the high participation threshold (fifty percent of eligible voters) required to validate a referendum. While KMT contacts maintain that the DPP's UN referendum is unlikely to pass, a leading DPP

pollster, Research Development Council Vice Chairman Chen Chun-lin, told AIT last week that the introduction of the KMT UN referendum increases the likelihood that the DPP referendum will pass because, according to internal DPP polls, significant numbers of Blue voters are likely to cross party lines and vote for the DPP referendum. Tai, however, told AIT that although his own earlier polling had shown similar results, the situation has recently changed and now fewer than half of voters support the DPP referendum. Tai attributed this change to a perception among moderate voters that President Chen has gone overboard by having all government ministries focus on the UN referendum while ignoring public concerns about hikes in prices of food and oil.

Comment

17. (C) With four months to go before the combined presidential election and two UN referenda, it is too early to predict the prospects for passage of the DPP's UN referendum. The KMT will almost certainly tell its supporters not to take the DPP referendum ballot, complicating DPP efforts to meet the participation threshold.

Two sets of factors can influence the prospects for the DPP referendum. One set of factors is the specific voting procedures utilized. Although not yet determined, it is clear the KMT fears the DPP will manipulate procedures to its advantage in its drive to pass its UN referendum. Other factors, such as whether the government can increase public support for the referendum as a demonstration of "national identity, and the DPP's ability to generate enthusiasm and mobilize its supporters to turn out on election day could also have significant impacts.

YOUNG